

MEMORANDUM

TO: Municipal Chief Executives
FR: Heath Fahle, A&F Federal Funds Office
DT: July 12, 2021 (Original memorandum published June 1, 2021)
RE: Applying for Coronavirus Local Fiscal Recovery Fund (CLFRF) Funding

The American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) (ARPA), provides resources through the new Coronavirus Local Fiscal Recovery Fund (CLFRF) to local governments to respond to the public health emergency caused by the Coronavirus Disease (COVID-19). This fund is administered by the US Department of the Treasury (hereafter, “US Treasury” or “Treasury”).

ARPA allocates funds to municipalities through two classifications, including “metropolitan cities” and “nonentitlement units” (NEUs).¹ This memorandum summarizes the steps required for NEUs to receive allocations through the CLFRF.

Allocations and Timing

The CLFRF allocates approximately \$3.4 billion to counties and municipalities in Massachusetts, including:

- Municipal allocation of \$2.0 billion, comprised of \$1.7 billion for metropolitan cities and \$385 million for NEUs
- County allocation of \$1.3 billion
 - The county allocation for abolished counties, approximately \$945 million, will be reallocated to the municipalities in those counties
 - The county allocation in functional counties, approximately \$393 million, will be provided directly to county governments

Massachusetts NEUs are now able access their municipal allocation. Per statute, these funds will be disbursed in two tranches, with 50 percent available to NEUs as of the date of this memorandum and the remaining 50 percent available not less than 12 months after the municipality receives the first tranche.

Payments will be distributed by the Department of Revenue Division of Local Services (DLS) through the same process used for local aid (e.g., payments will be received in the same bank account as local aid payments). DLS will provide further guidance about accounting for these funds.

¹ Please see the attached table for municipal classifications. Officials in metropolitan cities should refer to the [memorandum of May 19, 2021](#) for application information.

Administrative Responsibilities

Municipalities are responsible for determining eligible uses, ensuring compliance with all relevant federal rules and regulations, and adhering to reporting requirements. These responsibilities are described in the relevant federal guidance related to the program, including the following items:

- Program guidance in the form of the “Interim Final Rule”: <https://public-inspection.federalregister.gov/2021-10283.pdf>
- FAQs: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>
- Fact Sheet: <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>
- Quick Reference Guide: <https://home.treasury.gov/system/files/136/SLFRP-Quick-Reference-Guide-FINAL-508a.pdf>

Unlike previous federal funds provided in response to COVID-19, each municipality is the “prime recipient” of federal funds and solely responsible to US Treasury for all aspects of administration and will be subject to federal clawbacks associated with compliance failures. The Commonwealth will not make eligibility determinations for this program.

County Reallocations

ARPA allocates \$1.3 billion to Massachusetts counties through the CLFRF. Approximately \$945 million of this amount is dedicated to abolished county governments. Per statute, the Commonwealth will reallocate these funds to the relevant municipalities on a per capita basis.

[7/12 Update] The Commonwealth continues to wait for more information about these reallocation payments from Treasury. At this time, Treasury has not provided reallocation funds or guidance related to their distribution, such as whether municipalities will need to request the funds from the Commonwealth.

Approximately \$393 million is available to county governments as depicted in Figure 1. Funds are available to these entities directly from the US Treasury. The Commonwealth has no ability to alter these allocations.

ARPA: Massachusetts Counties	
County	Amount (\$)
Norfolk	137,282,758
Bristol	109,786,776
Plymouth	101,237,378
Barnstable	41,370,811
Dukes	3,366,538
Total	393,044,261

Figure 1: CLFRF Allocations to Massachusetts county governments

Application Process

To apply to the Commonwealth for the first tranche of CLFRF funding, NEUs should complete [this application form](#). The following information is required to do so:

- Local government name, Entity’s Taxpayer Identification Number, DUNS number, and address
- Authorized representative name, title, and email
- Contact person name, title, phone, and email
- Financial institution information (e.g., routing and account number, financial institution name and contact information)
- Total NEU budget (defined as the annual total operating budget, including general fund and other funds, in effect as of January 27, 2020) or top-line expenditure total (in exceptional cases in which the NEU does not adopt a formal budget)
- [Award terms and conditions agreement](#) (as provided by Treasury to be signed)
- [Assurances of compliance with Title VI of the Civil Rights Act of 1964](#) (as provided by Treasury to be signed)

Additionally, if a municipality so chooses, it can request to decline its funding allocation and transfer funds to the Commonwealth. Page 95 of the [Interim Final Rule](#) (IFR) outlines the process by which a municipality may choose to do so.

Contact

Future Commonwealth activity related to the Coronavirus Local Fiscal Recovery Fund will be coordinated by the Executive Office for Administration & Finance (A&F) Federal Funds Office (FFO). Please contact Brendan Sweeney, Assistant Director for Federal Funds – Municipal, at Brendan.S.Sweeney@mass.gov or via telephone at (857) 338-0011.